

Message Text

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PAGE 01 MOSCOW 00572 131529Z
ACTION EUR-12

INFO OCT-01 ISO-00 EB-08 CIAE-00 INR-07 NSAE-00 /028 W
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TO USDOC WASHDC
INFO SECSTATE WASHDC 6627
AMCONSUL LENINGRAD

UNCLAS MOSCOW 0572

USDOC FOR BEWT/TDAD (VERSARIU),
BEWT/USSR (HEISS)

E.O. 11652: N/A
TAGS: EEWT, UR
SUBJECT: LUMMUS CO. TO BEGIN ON-SITE CONSTRUCTION OF ACETIC
ACID PLANT

1. LUMMUS CO. (DIV CUMBUSTION ENGINEERING) HAS BEGUN ON-SITE WORK UNDER ITS \$45 MILLION CONSTRUCTION INSTALLATION CONTRACT WITH FTO TEKMAHIMPORT FOR ACETIC ACID PLANT. FACILITY IS LOCATED IN SEVERODONETSK IN EASTERN UKRAINE. LUMMUS CONSTRUCTION MANAGER DISCUSSED SOME DETAILS OF PROJECT WITH COMOFF IN MOSCOW BEFORE LEAVING FOR SEVERODONETSK TO ASSUME DUTIES. LUMMUS EXPECTS TO HAVE 12-14 TECHNICIANS WORKING ON SITE BY MID-1978. WHEN SUBCONTRACTOR (MONSANTO) BEGINS OPERATION IN 18 MONTHS THERE COULD BE AS MANY AS 30 FOREIGN TECHNICIANS WORKING ON THE PROJECT.

2. LUMMUS CONTRACT WAS NEGOTIATED IN 1973 AND IS BEING FINANCED WITH EX-IM BANK CREDITS. ACCORDING TO COMPANY OFFICIALS, SOVIETS DELAYED IMPLEMENTATION OF PROJECT UNTIL 1977, STATING THAT IT DID NOT ENJOY SUFFICIENT PRIORITY IN PLAN. INCREASED PRICES AND LABOR COSTS SINCE 1973 HAVE LED LUMMUS TO ATTEMPT RENEGOTIATION OF PORTIONS OF CONTRACT WITH SOVIETS.

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3. COMPANY REP ALSO NOTED THAT LUMMUS VICE PRESIDENT LARNER CURRENTLY IN MOSCOW DISCUSSING BID FOR PROPOSED \$70 MILLION FERTILIZER PLANT WITH MIN CHEMICAL INDUSTRY. LUMMUS HOLDS LICENSE FROM UNIROYAL FOR PATENTED QUOTE VITAVAX UNQUOTE PROCESS, WHICH SOVIETS WISH TO ADOPT. REP SAID THAT IF LATTER DEAL GOES THROUGH, COMBUSTION ENGINEERING WILL CONSIDER

ESTABLISHING RESIDENT OFFICE IN MOSCOW.
MATLOCK

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CONSTRUCTION, ACIDS
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Draft Date: 13 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
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Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
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